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BLANCHARD, WALKER, O'QUIN & ROBERTS
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September 13, 2006

WM. TIMOTHY ALLEN, III

Direct: 318.934.0217

Email: tallen@bwor.com

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 94275
Baton Rouge, Louisiana 70804-9275

RE: HEARING APPLICATION
Substitute Unit Well at Exceptional Location
CV RA SUI
Bayou D'Arbonne Lake Field
Union Parish, Louisiana
Our File No. 410688.17

Dear Sir:

On behalf of STROUD PETROLEUM, INC., application is hereby made for a public hearing to receive evidence concerning the issuance of an order pertaining to the following matters relating to the Cotton Valley Formation, Reservoir A, in the Bayou D'Arbonne Lake Field, Union Parish, Louisiana:

1. To permit the applicant to drill, designate and utilize the Stroud Petroleum, Inc. - Payne No. 1 Well, as a substitute unit well for CV RA SUI, at the location shown on the plat attached hereto, in exception to the well spacing provisions of Office of Conservation Order No. 1025, effective February 14, 1978.
2. To explicitly find that the abovesaid substitute unit well is necessary to drain a portion of the Cotton Valley Formation, Reservoir A, in the Bayou D'Arbonne Lake Field underlying CV RA SUI, which cannot be efficiently and economically drained by any existing well in such unit.
3. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The Cotton Valley Formation, Reservoir A, in the Bayou D'Arbonne Lake Field, Union Parish, Louisiana, is fully defined in Office of Conservation Order No. 1025, effective February 14, 1978.

The Rules of Procedure of the Commissioner of Conservation pertaining to the Pre-Application Notice requirements, are not applicable to the hearing requested herein, which requires legal notice of only ten (10) days.

Pertinent data concerning the intended application will be made available for inspection at the offices of Blanchard, Walker, O'Quin & Roberts, Bank One Tower, 400 Texas Street, Shreveport, Louisiana 71163-1126. Any person wishing to inspect such data should call Wm. Timothy Allen III at (318) 221-6858 during normal business hours or write Mr. Allen at the above address, in order to arrange a date and time for such inspection. A copy of any such pertinent data can be obtained at the expense of the requesting party.

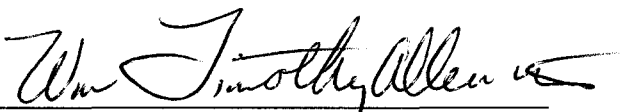
A list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties (as defined in the Rules of Procedure) is attached hereto, and a copy of this notice, with the annexed plat, is being sent to each of such persons. A reasonable effort has been made to determine that the enclosed list includes all of the persons to whom this notice must be sent under the Rules of Procedure.

A check in the amount of \$755.00 made payable to the Commissioner of Conservation is enclosed herewith as the statutory fee for holding the requested hearing.

This application is being filed in duplicate, and a copy hereof is being sent to Mr. Clarence L. Chandler, Monroe District Manager of the Office of Conservation and to each Interested Owner, Represented Party and Interested Party whose name is shown on the attached list.

Very truly yours,

BLANCHARD, WALKER, O'QUIN & ROBERTS

By: 

Wm. Timothy Allen III
Attorneys for Stroud Petroleum, Inc.

WTAIII:kml
Enclosures

cc: Mr. Clarence L. Chandler, Monroe
District Manager (w/enclosures)
cc: Interested Owners, Represented Parties
and Interested Parties (w/copy of plat only)

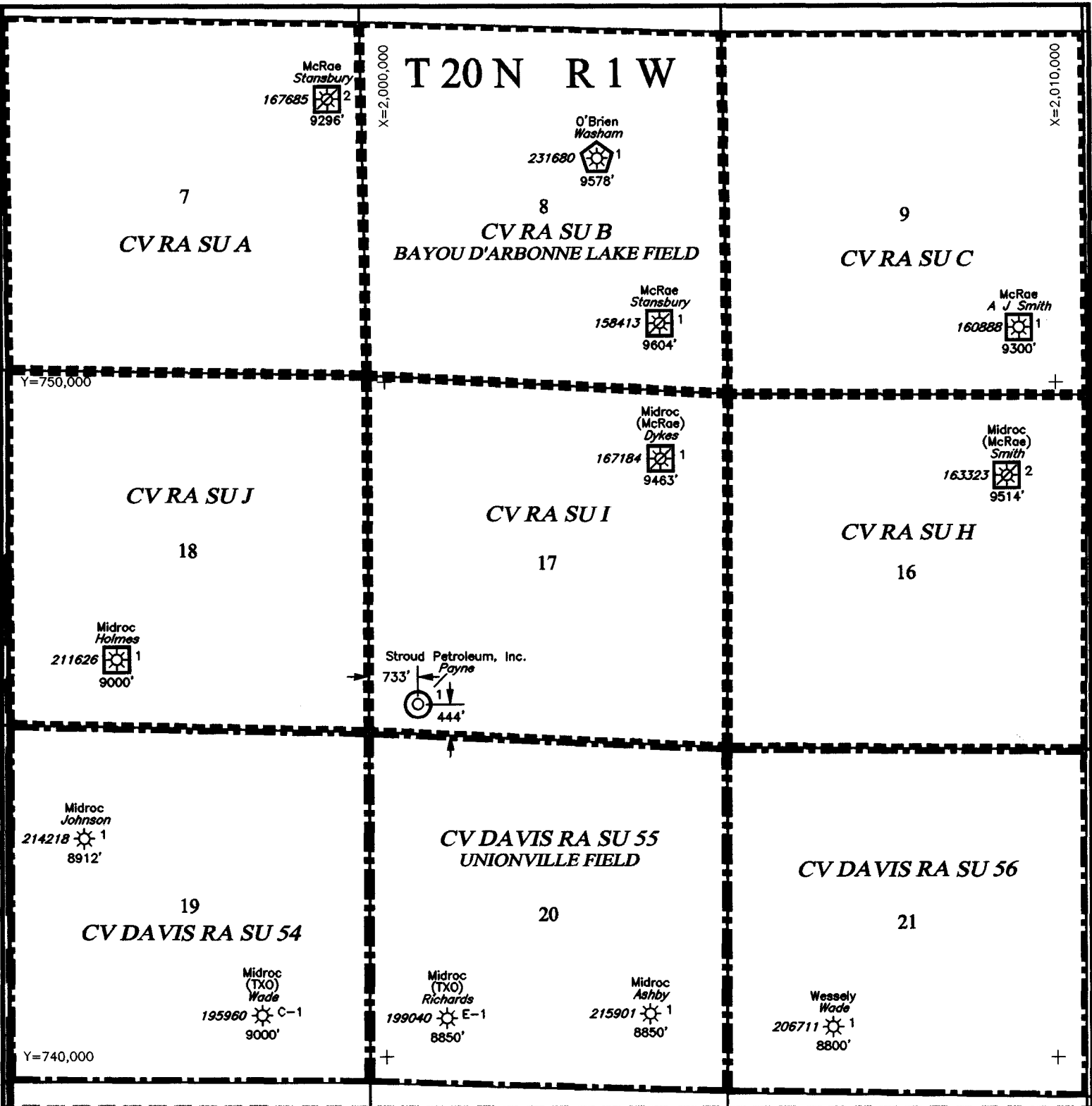


EXHIBIT No. 1

LEGEND

- : EXISTING CV DAVIS RA SAND UNITS UNIONVILLE FIELD ORDER No. 206
- : EXISTING CV RA SAND UNITS BAYOU D'ARBONNE LAKE FIELD ORDER No. 1025
- : PROPOSED SUBSTITUTE UNIT WELL AT EXCEPTIONAL LOCATION FOR CV RA SU I
- : COTTON VALLEY RESERVOIR A UNIT WELLS
- : COTTON VALLEY RESERVOIR A SUBSTITUTE UNIT WELLS

STROUD PETROLEUM, INC.
SHREVEPORT, LOUISIANA

BAYOU D'ARBONNE LAKE FIELD
UNION PARISH, LOUISIANA

**PROPOSED
SUBSTITUTE UNIT WELL
AT EXCEPTIONAL LOCATION
FOR CV RA SU I**

ONLY WELLS > 5000' TD SHOWN

